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FISHERY COMMODITY SITUATION AND OUTLOOK 1979/80

by

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INTRODUCTION

This report presents a first review of development in 1979 and of expected trends in 1980 of the main fishery commodity markets. It is based on information available at mid-April 1980. Statistical data for 1979 are largely of a preliminary nature. They were supplemented by information derived from an industry enquiry in which more than one hundred fish producing, manufacturing and trading companies from all parts of the world gave their views about what happened in 1979 and what they expect to happen in 1980 with respect to specific seafood markets.

It is hoped that this report will assist industry and governments in planning fish production and marketing development and thus contribute to a more regular pattern of involvements on world markets for fishery products.

EXECUTIVE SUMMARY

WORLD FISH CATCHES IN 1979

Slight decrease in 1979 world fish catches. Now virtually stagnating for four years, but shift of production to developing countries. - Increases in Latin America, notably Argentina, Chile, Mexico, Peru and Uruguay. - Stable in Asia with increases in India, Republic of Korea, Indonesia and Malaysia; drop in Thailand feeling exclusion from EEZ of other countries. - Decline of all major producing countries in Africa. - Sharp decline in Japan, particularly groundfish industry; increases in pelagic fish largely for fish meal. - Drop in United States, but Canada continues expansion at reduced speed. - Continued decline in European Economic Community.

INTERNATIONAL TRADE IN 1979

World fish trade up significantly - now accounting for 30 percent of fish catches. - Canada continues leading exporters with a turnover of more than U.S.$1,000 million, U.S.A. close second, followed by Norway; Japan falls back to sixth place after Denmark and Republic of Korea. - Japan tops importers' league, spending almost U.S.$4,000 million in 1979, almost as much as all EEC members together. U.S.A. import bill up 15 percent to U.S.$2,600 million. Significant increases also in Spain, Hong Kong and Singapore. - Share of developing countries in fish exports increasing. Notable advances in Latin America, Indonesia and Republic of Korea.

FISHERY COMMODITY SITUATION 1979 AND OUTLOOK 1980

Frozen whitefish: Supplies on international markets generally adequate - up for cod, hake (whiting), haddock and redfish (ocean perch); flatfish and Alaska pollack declined. - European market more lucrative for European producers due U.S. Dollar exchange rate; some move away from frozen blocks in favour of cured whitefish and frozen speciality items; - growing interest of South American hake producers in Europe - growth of U.S. groundfish market slackened but supplies adequate. - World-wide inflation, spiralling fuel costs and quota limitations move prices up.

Despite reduction in TAC in Europe and possible reduction in Alaska pollack, supplies generally expected to be adequate - cod supplies expected to be stable with U.S. block prices increasing somewhat to close gap to Europe - flatfish more plentiful from Canada and Iceland with prices remaining firm worldwide - stable supplies and strengthening prices for haddock and Atlantic pollack - some increases in hake from Latin America but reduction off South-West African coast - lower supplies of Alaska pollack.

Frozen tuna: Catches decreased particularly in the United States, with prices up to record levels - trade increased with more countries entering the tuna operation. Tuna boat orders boomed in 1979. Demand for tuna very firm.

In 1980 landings will increase due to high fishing efforts with a greater share going to developing countries. - Upward trend in prices likely to continue.

Frozen cephalopods: *Catches declined in Japan as main market, with high imports from Canada and Argentina. Many new exporting countries increased trade. Prices remained stable, declined at the end of 1979.*

For 1980 oversupply may be expected with prices continuing weak, at least during the first half of the year.

Frozen mackerel: *Still increase in catches in 1979 in Norway and Great Britain. But first signs of overfishing will affect TAC for 1980. Importance of other sources (Latin America) will increase in 1980 as consumers in Western Europe show greater interest.*

Frozen pilchard: *Catches in Latin America increased significantly, but were mostly destined for reduction industry. With mackerel and herring situation expected in 1980, demand will be stronger directed towards pilchard.*

Frozen herring: *Canada, Denmark and Scandinavia main suppliers for Western European industry, but while Canadian catches were down, supplies from the Baltic Sea increased considerably around the turn of the year 1979/80. Prices remained on high level in Europe, increased in Japan. Concerning supply and prices 1980 seems more favourable.*

Rainbow trout: *Increasing interest reported from European consumers.*

Frozen lobster: *No change in supply and sales in 1979 - prices firm for most sizes. Additional supply expected in 1980 from developing countries.*

Frozen crab: *Supplies were increasing, letting prices slip from high level in early 1979; - will not recover before autumn 1980 due to large carryovers and additional supply from Latin America.*

Frozen scallop: *Decreasing supplies - prices peaked end of 1979; for 1980 firm prices and moderate supply expected.*

Frozen shrimp: *Landings down in U.S.A., high prices imports up, holdings up, consumption decreased slightly, prices weaker after mid-year high. - Japan imports soaring in 1979, with prices at record levels partly influenced by speculation. - India biggest exporters, had to fight with blocklisting in U.S.A. and Japan.*

For 1980 production will slightly increase - prices increase due to fuel costs but also influenced by general economic situation in U.S.A. and Japan. Imports in Japan will decrease as inventories high.

Canned tuna: *Canning industry desperate for raw material. Prices increasing worldwide and the situation is not expected to change in 1980 but the supply of canned tuna from developing countries will increase.*

Canned pilchard: Production of canned pilchard/sardine products has increased, demand has remained strong and prices are increasing. For mass consumption items an oversupply situation may be reached in 1980.

Canned mackerel: There was a high level of canned mackerel supply in Europe and Latin America in 1979 - prices remained unchanged but lower sales are expected in Europe in 1980, with prices firm.

Cured fish: Production remained stable in major trading countries, but turnover increased due to higher prices; shift from salted dried to dried products. Demand increasing in Brazil, Nigeria and Italy. - Supply expected to increase from Latin American countries and to decrease from developed countries in 1980. - Prices will remain firm.

Fish meal: Production increased worldwide, especially in Japan, Peru and Chile. - Exports went up in Chile, Norway, Peru and South Africa. - World trade volume up 10 percent. - Prices higher than 1978.

For 1980 production expected to remain stable; trade will be influenced by low holdings and increased home consumption. Prices likely to increase further.

Fish oil: Slight increase of production and exports. Prices slipped in the United States but remained stable in Europe. - No change expected for 1980 in production and trade - prices may increase following soyabean oil prices.

GENERAL OUTLOOK 1980

World fish catch expected to stay at 1979 level. Increased effort to use industrial fish for food purposes, particularly pelagic fish for canned products. Further endeavours to exploit underutilized stocks in Indian Ocean and South Pacific through joint ventures or other arrangements. Continuing upward trend in fish production expected for Canada, United States, Australia, New Zealand and some countries in Latin America. Further losses to fisheries in EEC, Japan, Spain and U.S.S.R.

Strong demand, inflationary pressures and increasing fuel costs will push prices further up on most fishery commodity markets. High interest rates will keep inventories down and reduce market flexibility - could lead to price hikes on low volume markets although bad experience with speculation in 1979 followed by bankruptcies may be effective warning. High interest rates and uncertainties about access to resources in some industries will delay new investments and replacements. Combined effect of fluctuating exchange rates and temporarily high interest rates likely to reduce individual orders. Higher transport charges due fuel costs may counteract.

Trade in seafood products expected to continue rapid increase - volumewise and values - principal beneficiaries likely to be Canada, U.S.A., Australia, New Zealand, Iceland, Norway and some developing countries currently producing products with good international market acceptance. Strong export promotion efforts of developed countries - developing countries need increased support and joint action in trade development. FAO will start fish marketing information and advisery service in Asia similar to ongoing service in Latin America (INFOPESCA).

WORLD FISH PRODUCTION IN 1979

World fish catches in 1979 (Table 1) have slightly decreased from the all-time high in 1978. In comparing the data with previously reported world fish production statistics, it should be noted that new precise data have become available for the People's Republic of China which lead to a revision of world production totals up to 1978. The general trend towards virtual stagnation of world fish production over the last four years nevertheless remains apparent.

This overall picture, however, conceals some important shifts in fish production. Developing countries as a group increased fish catches by almost one million metric tons in 1979 while the developed economies, including Eastern Europe and the U.S.S.R., had to face a drop of more than one million t during 1979. Both groups now account for about half of the world fish production.

As might be expected, the advance in developing countries was very variable, with Latin America showing an increase of about 1.2 million t, Asia practically no change and Africa a decline of about 250 000 t.

The increase in Latin America was due particularly to Chile (reporting an expansion of 42 percent), Mexico (plus 36 percent), Argentina (plus 11 percent) and Peru (plus 7 percent). Uruguay also showed a large expansion (43 percent) and now harvests more than 100 000 t a year. The Latin American region increased its catches by almost 3 million t since the low ebb in 1977 and is on its way to approaching the high production years of the early seventies. Now, however, a much higher share of total catches is channelled into the food fish industry although last year's increases in some countries in the area went chiefly for reduction to fish meal and oil.

All the main producing countries in Africa had to face a setback in fish catches leading to a decrease of 300 000 t for the whole continent. The production of the region fell to its lowest annual total in the seventies. The reasons are many but the decline can be partly attributed to the bad outcome of single species fisheries and to economic difficulties of the industry.

Fish production in Asia continued at a high level. Not counting Japan but including the People's Republic of China, the continent contributes more than 20 million to the world total. Increases in 1979 are reported for India (by 11 percent), Republic of Korea (by 3 percent), Indonesia (by 5 percent) and Malaysia (by 7 percent). A considerable setback was experienced in Thailand, where landings declined by almost 300 000 t (minus 18 percent), largely due to the expiry of fishing rights in the EEZs of other countries. Also the Philippines could not quite reach the peak production attained in 1978.

Among the developed economies Japan had to face, for the first time in her recent history, a sharp decrease in fish production, which declined by 750 000 t or 7 percent. The participation of the Japanese industry in more than 200 joint ventures around the world could not prevent this significant decrease of fish supplies, particularly of groundfish. Increases of pelagic fish catches in Japanese waters were largely destined for the fish meal industry.

The U.S.A., in spite of being one of the principal beneficiaries of the introduction of EEZ, could not repeat the record 1978 catch, its production declining by about 7 percent, or 250 000 t. Canada continued her advance although at a much reduced rate compared with the jump in 1978. In the European Economic Community catches declined in all countries except the Netherlands. The United Kingdom evidenced further declines in her distant-water catches of cod, haddock and plaice. In Denmark the decline was mainly due to lower catches of sand eel. Norway's production was stable, lower catches of capelin and cod being compensated for by an increased output of blue whiting going to the reduction

Table 1

FISHERY PRODUCTS: WORLD CATCH OF AQUATIC ORGANISMS[a/]

	Average 1970-73	1974	1975	1976	1977	1978	1979	Change 1978 to 79
	000 t							%
WORLD TOTAL	66 620	69 520	69 342	72 768	72 491	73 783	73 418	-
Developing countries	31 351	31 726	31 256	32 223	33 570	35 436	36 414	+ 3
Latin America	10 611	7 628	6 826	8 393	7 035	8 675	9 892	+14
Peru	7 529	4 145	3 447	4 343	2 541	3 365	3 590	+ 7
Chile	1 062	1 158	929	1 409	1 349	1 698	2 408	+42
Mexico	438	442	499	572	670	738	1 007	+36
Brazil	603	740	772	659	748	858	800	- 7
Argentina	246	296	229	281	392	542	600	+11
Ecuador	115	174	263	315	476	617	...	...
Uruguay	16	16	26	34	48	74	106	+43
Other	602	657	661	780	811	783	764	- 2
Africa	386	473	466	496	504	518	488	-6
Nigeria	634	840	761	574	404	418	327	-22
Namibia	259	357	363	362	348	359	...	...
Senegal	282	288	229	287	260	292	278	- 5
Morocco	173	171	196	239	288	307	265	-14
Tanzania	227	220	255	238	268	264	179	-32
Ghana	1 663	1 688	1 441	1 343	1 455	1 470	1 471	-
Other								
Near East	741	875	845	815	821	791	790	-
Far East	9 843	11 512	11 900	12 354	13 476	13 472	13 495	-
India	1 801	2 255	2 266	2 174	2 312	2 368	2 626	+11
Korea Rep.of	1 235	2 024	2 134	2 405	2 419	2 351	2 420	+ 3
Indonesia	1 252	1 336	1 390	1 483	1 572	1 655	1 732	+ 5
Thailand	1 597	1 516	1 553	1 660	2 190	2 099	1 720	-18
Philippines	1 168	1 371	1 443	1 393	1 511	1 558	1 504	- 3
Malaysia	378	526	474	517	619	685	735	+ 7
Other	2 412	2 484	2 640	2 722	2 853	2 756	2 758	-
Asian CPE	6 421	7 523	7 832	7 954	8 551	8 652	...	...
China b/	4 271	5 025	5 234	5 255	5 852	5 953	...	...
Other	2 150	2 498	2 598	2 699	2 699	2 699	...	...
Other developing	110	151	142	168	160	218	218	-
Developed countries	35 269	37 794	38 086	39 545	38 921	38 347	37 004	- 4
North America	4 142	3 971	3 953	4 293	4 355	4 919	4 725	- 4
United States	2 888	2 929	2 920	3 160	3 085	3 512	3 274	- 7
Canada	1 254	1 042	1 033	1 133	1 270	1 407	1 451	+ 3
Western Europe, EEC	4 674	5 162	4 904	5 069	4 851	4 910	4 646	- 5
Denmark	1 384	1 835	1 767	1 911	1 807	1 745	1 700	- 3
United Kingdom	1 124	1 106	996	1 053	1 020	1 053	885	-16
France	788	808	806	806	760	814	...	...
Germany Fed.Rep.of	504	526	442	454	432	412	360	-13
Netherlands	329	326	351	285	313	324	335	+ 3
Other	545	561	542	560	519	562	552	- 2
Western Europe, Other	6 525	6 276	6 200	7 075	7 333	6 696	6 706	-
Norway	3 058	2 667	2 542	3 416	3 460	2 647	2 663	+ 1
Spain	1 539	1 510	1 518	1 475	1 394	1 380	...	...
Iceland	762	945	996	992	1 378	1 579	1 650	+ 4
Portugal	456	430	375	346	310	255	248	- 3
Other	710	724	769	846	791	835	765	- 8
Eastern Europe and USSR	8 833	10 597	11 498	11 511	10 563	9 993	9 783	- 2
USSR	7 739	9 257	9 975	10 134	9 352	8 930	8 600	- 4
Poland	528	679	801	750	655	571	622	+ 9
Other	566	661	722	627	556	492	561	+14
Oceania	179	207	173	187	211	223	247	+11
Australia	117	138	109	111	128	123	127	+ 3
New Zealand	62	69	64	76	83	100	120	+20
Other developed	10 916	11 581	11 358	11 410	11 608	11 606	10 897	- 6
Japan	10 080	10 805	10 524	10 662	10 763	10 752	10 000	- 7
South Africa	644	648	642	640	603	628	670	+ 7
Israel	27	24	24	26	24	26	27	+ 4
Other	165	104	168	82	218	200	...	...

a/ Excluding cetaceans
b/ Revised data

Table 2

Exports of fish and fishery products

	1971-1973 average	1974	1975	1976	1977	1978	1979 prelim.	Change 79-78
	million U.S.$							%
WORLD TOTAL	4 349	6 017	6 361	7 925	9 471	11 222	12 928[a]	+ 15
Developed countries	2 825	3 907	3 815	4 815	5 634	6 878	7 736	+ 12
North America:	563	686	740	971	1 265	1 878	2 167	+ 15
Canada	372	433	442	599	757	981	1 107	+ 13
United States	191	253	298	372	508	897	1 060	+ 18
Western Europe:	1 625	2 355	2 330	2 922	3 424	3 920	4 506	+ 15
EEC:	774	1 179	1 185	1 465	1 670	2 056	2 418	+ 18
Denmark	273	440	427	586	629	728	835	+ 15
Netherlands	166	216	258	280	315	400	477	+ 19
Germany, Fed. Rep. of	105	158	139	181	231	235	269	+ 14
Others	230	365	361	418	495	693	837	+ 21
Norway	392	517	515	655	841	756	889	+ 18
Iceland	159	248	243	317	381	498	590	+ 18
Spain	145	209	182	245	236	281	273	- 3
Others	155	202	205	240	296	329	336	+ 2
Other developed countries:	526	741	615	774	744	850	793	- 7
Japan	463	609	490	649	631	749	688	- 8
South Africa[b]	62	130	123	122	108	98	103	+ 5
Israel	1	2	2	3	5	3	2	- 33
Oceania	111	125	130	148	201	230	270	+ 17
Developing countries	1 248	1 772	2 019	2 497	3 150	3 561	4 379	+ 25
Africa	153	237	230	244	253	280	...	...
Latin America:	554	712	697	911	1 027	1 247	1 548	+ 24
Central America:	136	189	232	307	307	357	410	+ 15
Mexico	95	136	161	205	197	251	263	+ 5
Others	41	53	71	102	110	106	147	+ 39
Caribbean	34	57	60	75	79	80	94	+ 17
South America:	384	466	405	529	641	810	1 044	+ 29
Peru	258	256	213	213	226	252	320	+ 27
Chile	31	54	40	101	124	171	230	+ 34
Argentina	12	35	20	40	84	145	183	+ 26
Brazil	346	47	43	54	74	97	139	+ 43
Others	49	74	89	121	133	145	172	+ 19
Near East:	26	42	42	38	46	46	47	+ 2
Asia and Far East:	416	653	934	1 169	1 651	1 818	2 318	+ 28
Korea, Rep. of	87	169	361	321	697	639	800	+ 25
India	72	95	133	193	206	248	308	+ 24
Indonesia	37	89	83	124	153	153	200	+ 31
Others	220	300	357	531	595	778	1 010	+ 30
Other developing countries:	99	128	116	135	173	170	186	+ 9
Centrally planned economies	276	338	527	613	687	783	813	+ 4
Asian centrally planned countries[c]	133	123	254	335	419	470	500	+ 6
U.S.S.R. and Eastern Europe:	143	215	273	278	268	313	...	...
U.S.S.R.	104	162	212	198	195	237	...	...
Eastern Europe	39	53	61	80	73	76	...	...

a/ Including estimates (1978 data repeated) for "USRR and Eastern Europe" and for Africa" due to lack of data for 1979

b/ Including Namibia

c/ Excludes China

...

industry. In almost all European countries, except Iceland where investments and production continued to increase, the industry is in a difficult economic situation with vessels lying up because of spiralling costs and lack of fishing opportunities.

Figures available for the U.S.S.R. and Eastern Europe indicate a significant drop in the U.S.S.R. (by more than 300 000 t - 4 percent) and increases for Poland and Romania of 50 000 and 37 000 t, respectively.

New Zealand is still on an upward trend, doubling its production since the early seventies, while Australia remained more or less at the same level during 1979.

INTERNATIONAL TRADE IN FISHERY COMMODITIES DURING 1979

Export value of fishery products reached almost U.S.$13 000 million in 1979 (Table 2), increasing threefold since the beginning of the seventies. In spite of a stagnating fish production since 1976, fish trade expanded both in quantity and in value, as can be noted from the import data in Table 4. In 1979 volumes increased by almost 800 000 t product weight compared to 1978, food fish products accounting for 75 percent of this increase and fish meal for 25 percent. Total trade in 1979 is estimated to be equivalent to about 25 million t live weight, which means that 30 percent of world fish catches are moving into international trade. Fish meal now accounts for less than 10 percent of total fish trade values, as compared to 15 percent in the early seventies.

Table 3

Largest fish exporters and importers 1979[a)]

Exporters			Importers		
	1979	Change 1979/78		1979	Change 1979/78
	million U.S.$			million U.S.$	
1. Canada	1 107	+126	1. Japan	3 971	+931
2. U.S.A.	957	+62	2. U.S.A.	2 591	+365
3. Norway	889	+133	3. France	968	+124
4. Denmark	835	+107	4. U.K.	901	+208
5. Korea	800	+161	5. Germany, F.R.	859	+93
6. Japan	688	-81	6. Italy	616	+74
7. Iceland	590	+92	7. Spain	350	+104
8. Netherlands	477	+85	8. Netherlands	340	+13
9. Peru	320	+68	9. Hong Kong	297	+42
10. U.S.S.R.	313	0	10. Sweden	285	+39

a) Preliminary figures - partly estimated on the basis of reports for nine months.

Canada has been leading the exporters' league since 1978 and could further strengthen her position in 1979 with an increase of 13 per cent (Table 3). Figures available for the first nine months of 1979 show that Canadian export volumes were practically unchanged at about 360 000 t but values were up from about U.S.$800 million to almost U.S.$1 000 million, reflecting an average price increase of about 20 per cent. Dependence on the U.S.

Table 4

Imports of fish and fishery products

	TOTAL FISH PRODUCTS***						FISH FOR HUMAN CONSUMPTION						FISH MEAL*					
	1977	1978	1979	1977	1978	1979	1977	1978	1979	1977	1978	1979	1977	1978	1979	1977	1978	1979
	thousand t			million U.S.$			thousand t			million U.S.$			thousand t			million U.S.$		
WORLD TOTAL	7 888	8 405	9 139	10 043	12 086	14 532	5 145	5 611	6 170	8 824	10 801	13 208	2 114	2 073	2 268	948	923	982
Developed countries	5 815	6 084	6 538	8 616	10 419	12 590	3 898	4 233	4 489	7 719	9 558	11 663	1 393	1 244	1 387	648	575	608
North America:	1 117	1 157	1 177	2 292	2 442	2 869	1 035	1 109	1 084	2 262	2 423	2 832	74	40	85	26	13	31
Canada	89	84	84	206	216	278	89	83	84	206	215	278	0	0	0	0	0	0
United States of America	1 028	1 073	1 093	2 086	2 226	2 591	946	1 024	1 000	2 056	2 208	2 554	74	40	85	26	13	31
Western Europe	3 649	3 896	4 189	3 854	4 738	5 539	2 023	2 207	2 346	3 093	3 955	4 704	1 116	1 106	1 194	519	510	528
Denmark	195	204	218	175	221	265	182	190	207	169	216	260	11	11	8	5	3	3
France	443	469	465	655	844	968	365	397	389	617	809	932	60	55	58	29	26	27
Germany, Fed. Rep. of	791	760	824	666	766	859	341	346	374	471	599	677	308	277	277	130	111	103
Italy	321	362	356	425	542	616	244	269	268	388	496	574	71	89	82	33	43	36
Netherlands	287	329	329	258	327	340	121	128	124	181	238	250	54	55	48	26	25	20
United Kingdom	606	668	790	556	693	901	202	259	314	363	501	681	219	192	262	105	90	119
Sweden	158	170	197	219	246	285	82	79	84	181	200	232	71	79	100	35	40	47
Portugal	102	79	72	87	65	58	88	67	60	80	59	53	14	12	12	7	6	5
Spain	129	201	235	156	246	350	115	186	220	150	239	342	9	6	6	4	3	4
Others	617	654	703	657	788	897	285	286	306	495	605	703	299	330	341	145	163	164
Other developed countries:	980	965	1 105	2 337	3 092	4 024	778	863	996	2 232	3 034	3 971	195	95	105	101	51	48
Japan	942	923	1 066	2 296	3 042	3 971	762	833	965	2 201	2 991	3 922	178	85	97	93	45	44
Others	38	42	39	41	50	53	16	30	31	31	43	49	17	10	8	8	6	4
Oceania	69	64	67	133	148	158	60	60	63	130	146	156	8	3	3	2	1	1
Developing countries	1 360	1 571	1 799	1 038	1 275	1 524	1 099	1 202	1 424	939	1 130	1 375	224	333	341	81	125	129
Africa:	411	450	522	249	306	346	385	425	497	236	293	333	21	23	23	11	12	12
Ivory Coast	80	80	...	32	32	...	80	80	...	32	32	...	0	0	...	0	0	...
Nigeria	63	100	172	75	130	170	63	100	...	75	130	...	0	0	...	0	0	...
Others	268	270	...	142	144	...	242	245	...	129	131	...	21	23	...	11	12	...
Latin America:	305	356	428	232	284	361	206	212	271	194	225	293	72	116	129	24	42	51
Central America:	30	62	76	23	42	53	11	15	18	15	21	26	17	45	56	7	20	26
Mexico	19	51	...	12	31	...	3	7	...	5	11	...	14	42	52	6	19	25
Others	11	11	...	11	11	...	8	8	...	10	10	...	3	3	4	1	1	1
Caribbean:	135	147	145	101	105	105	94	94	94	88	90	90	41	53	51	12	15	15
Cuba	84	96	...	36	39	...	44	44	...	25	25	...	40	52	50	11	14	14
Others	51	51		65	66		50	50		63	65		1	1	1	1	1	1
South America:	140	147	207	108	137	203	101	103	159	91	114	177	14	18	22	5	7	10
Brazil	65	66	112	54	72	108	65	66	112	54	71	107	0	0	0	0	0	0
Colombia	46	50	...	28	38	...	13	15	...	13	19	...	8	10	10	4	5	5
Others	29	31	...	26	27	...	23	22	...	24	24	...	6	8	12	1	2	5
Near East:	131	197	188	103	144	144	87	118	121	85	112	115	42	76	66	17	31	28
Egypt	43	80	...	27	54	...	37	67	...	25	48	...	6	13	13	2	6	6
Others	88	117	...	76	90	...	50	51	...	60	64	...	36	63	53	15	25	22
Asia and the Far East:	479	534	614	424	512	635	387	413	488	394	471	596	89	118	123	29	40	38
Hong Kong	84	89	88	215	255	297	76	82	82	212	252	295	8	7	6	3	3	2
Malaysia (Peninsular)	118	134	134	38	44	44	101	101	101	35	37	37	17	33	33	3	7	7
Philippines	39	44	53	28	30	39	27	26	40	23	22	33	12	18	13	5	8	6
Singapore	146	151	189	90	104	167	99	98	125	75	86	147	47	52	63	15	18	20
Others	92	116	150	53	79	88	84	106	140	49	74	84	5	8	8	3	4	3
Other developing countries	34	34	47	30	29	38	34	34	47	30	29	38	0	0	0	0	0	0
Centrally planned economies**	713	752	802	389	393	418	208	250	257	166	166	170	497	496	540	219	223	245
Asian centrally planned economies	103	133	...	67	85	...	12	12	...	19	20	...	90	120	120	47	64	65
U.S.S.R. and Eastern Europe:	610	619	...	322	308	...	196	238	...	147	146	...	407	376	420	172	159	180
U.S.S.R.	50	80	...	45	43	...	35	80	...	38	43	...	15	...	...	7	...	...
Eastern Europe	560	539	...	277	265	...	161	158	...	109	103	...	392	376	...	165	159	...

* Meals and solubles of aquatic animal origin

** Excluding China

*** Including Fish Oil

market continued strongly, this market accounting for more than 60 percent of volume and 50 percent of trade value. Quantities exported to the European Economic Community and Japan declined by 7 and 25 percent but export values to these markets were up by 23 and 20 percent respectively. Also the U.S.A., Norway, Denmark and the Republic of Korea increased their exports, Norway and the Republic of Korea recuperating the losses suffered in 1978. Japan moved further down the scale as major fish exporter, sales values being 3 percent lower than in 1978. Major gains in fish exports were also achieved by Iceland and the Netherlands. In Latin America and Indonesia increases of as much as 30 to 40 percent were achieved. Latin America was able to gain access to new markets in Europe, Asia and the Middle East and to diversify considerably the range of products offered. Developing countries as a whole increased their exports of fishery products in 1979 by 25 percent (in value terms) and now account for 34 percent of total fish trade compared to 30 percent in the early seventies. The share of developed economies has gone down from 64 to 60 percent during this period (Table 5).

Table 5

Shares in international trade of fish and fishery products
(percentage of world total)

	Exports		Imports			
	Values		Quantities		Values	
	1970/72	1979	1970/72	1979	1970/72	1979
World	100	100	100	100	100	100
Developed countries	64	60	75	72	85	87
Developing countries	30	34	16	19	11	10
Centrally planned economies	6	6	9	9	4	3

On the importing side the developed countries take almost 90 percent of world trade in value terms but in volume they account for only 72 percent and the share of developing countries shows an increasing trend.

Japan continues as the biggest importer of fish products, accounting for almost one third of world fish trade value. In 1979 she increased her intake by almost U.S.$1 000 million. Although quantities also increased (by 15 percent), the main items are high-value products such as shrimp, cephalopods and herring roe. The U.S.A., the second largest importing country, increased imports by 16 percent in 1979, largely consisting of high-value products. There were also considerable increases of imports in 1979 into countries of the European Economic Community, the total exceeding even the import bill of Japan. Very high relative increases of imports also occurred in Spain (plus 42 percent) and in Singapore (plus 61 percent).

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Frozen whitefish

With the exception of Alaska pollack and flatfish, supplies of frozen whitefish increased or were at the 1978 level. In general, they were better than expected. The shortage situation experienced in 1977, which improved in 1978, did not recur. In particular, the supply of hake from Latin America and cod from Canada and Iceland helped to balance Japanese, Russian and British cutbacks in whitefish supply.

Prices for raw material generally increased, especially for flatfish, but fish with good availability also became more expensive due to worldwide inflation, fuel costs and new and longer market channels. In some countries reduced catch quotas and spiralling costs had to be compensated by increased subsidies from governments, e.g. in Norway and the United Kingdom. The protective policy of the EEC and uncertainties caused by the continuing disagreement on a common fishery policy contributed to increasing prices. In Japan the importer has to spend 20 percent more because of the devaluation of the yen against the dollar.

In Latin America, hake fisheries showed some contradictory developments. Uruguay and Argentina again increased production but, according to preliminary information, Argentina had serious export problems. Inflation increased prices for hake products and narrowed the gap to other whitefish prices; additional port infrastructure, quality control, training facilities and fishing legislation could not match the rapid expansion of the fleet and this affected the export efforts. On the other hand, the temporarily banned import of frozen hake products by the EEC had only a short-term effect on Argentine exports as inflation soon brought prices up to the level of the EEC reference price. Contrary to the situation in Argentina, Uruguay and Chile, the hake catches dropped tremendously in Peru from 420 000 t in 1978 to 85 000 t in 1979. This is partly explained by the termination of joint ventures with Cuba and an unusual abundance of hake in Peruvian waters in 1978, when a big percentage of the catch was used for fish meal. It is now planned to double the freezing capacities in Peru in order to increase the production of frozen fish for human consumption. There is an indication that Latin American exports are shifting from North America to the European market.

After a growth of about 8 percent in 1978, the U.S. groundfish market (fillets and blocks) expanded by only 1.6 percent in the first nine months of 1979. The market for cod, the dominant species, grew at about twice this rate, largely due to the improved availability of cod products from Canada. U.S. imports of groundfish fillets and blocks, especially cod blocks from Canada increased, while U.S. imports of groundfish products from other areas in general declined. The rate of exchange favouring the Canadian dollar kept Canadian exports competitive in the U.S. markets.

Norway, Denmark and Japan suffered a marked setback as prices paid in the North American market did not compensate for the increasing costs of raw material, labour and fuel in these countries. They therefore switched to more sophisticated products such as layer packs, jumbos, strips, loins etc. which returned higher prices.

The cod block price in the U.S.A., after remaining stable at U.S.$1.00 per lb for almost two years, increased slightly to U.S.$1.05. Haddock and flounder blocks sold for U.S.$1.22 and U.S.$1.40 respectively. Whiting block prices also strengthened to about U.S.$0.75. While groundfish fillet inventories at the end of 1979 were at about the same level as a year ago, block inventories were substantially lower. This is partly due to high interest costs but also to demand for cod blocks increasing towards the end of the year.

The European whitefish market was again strongly influenced by the failure of the EEC to agree on a common fishery policy. Quota restrictions off the Canadian coast and in European waters led to a decline in catches of Belgium, Denmark, Iceland, the Federal Republic of Germany and the United Kingdom. Iceland increased her whitefish landings by about 100 000 t, while catches in Norway remained about the same - except for cod which declined by 50 000 t. Frozen whitefish supplies from Norway will be down further as many producers find it more profitable to channel raw material into the production of salted-dried fish and stockfish; this will mostly affect frozen fish exports to the United States, since the European market is still remunerative. At the end of 1979, offers of cod blocks from Norway, Iceland, Denmark, Poland and Canada were occasionally in excess of demand, affecting sales of South American hake blocks.

Despite good haddock supplies, block prices for this species generally increased in Europe during 1979. The supply and sales of redfish blocks increased but the blocks could only be accommodated at reduced prices.

Whitefish fillet supplies in Europe were also more plentiful in 1979 and sales of cod, redfish and haddock increased. Prices were up for flatfish, haddock and hake fillets.

The EEC has reduced considerably the total allowable catches (TAC) for all whitefish. Catches of North Sea cod are recommended to be reduced by 50 000 t, saithe by 80 000 t. The U.S.S.R. lost fishing rights in U.S. waters for 360 000 t, of which a large proportion refers to whitefish. Some of this may be allocated to European producers and to Japan. Norway had already reduced its quotas for EEC countries north of the 62nd parallel, especially for cod and haddock which are down from 32 000 to 17 000 t and from 15 000 to 3 400 t, respectively. This development may lead to a further decrease in whitefish availability to the EEC fleet in Norwegian waters. In addition, there are some expectations that South American hake may be in short supply in the medium term because of overfishing. The quota for hake in Namibian waters was reduced from 415 000 t in 1979 to 320 000 t in 1980.

Despite these restrictions in fishing opportunities, there is some optimism as to the availability of frozen whitefish in 1980. The supply of cod, especially, is expected to at least remain stable with prices increasing slightly. U.S. buyers will be prepared to pay somewhat higher prices for cod blocks thus narrowing the gap to Europe. Minced cod is likely to become more expensive, continuing the trend of 1979, because of its wider acceptance for breaded and battered products. There is no breakthrough expected in Europe in the utilization of blue whiting as fillets or minced blocks. Likewise, an Alaska pollack operation in the U.S.A. is still some time away but domestic whiting block production may be started in 1980 using part of the quota formerly granted to the U.S.S.R. Supplies of flatfish are expected to increase in Canada and Iceland, with prices remaining firm world wide. Supplies and sales of haddock and Atlantic pollack are not expected to change much but prices will move up slightly. Supplies of hake from Latin America should further increase. Besides Uruguay and Argentina, Chile and Peru may now increase their production of frozen whitefish in an effort to move away from fish meal production. Plentiful supplies of h & g products may lead to some price decreases. The situation for Alaska pollack is difficult to forecast. With the U.S.S.R. excluded from U.S. waters, Japan, the Republic of Korea, Poland, Spain and other countries may benefit from the situation.

Frozen tuna

Preliminary figures indicated that U.S. tuna catches decreased by 10 percent in 1979. The main reasons were the declining resources in the Eastern Pacific and the lost fishing grounds in the IATTC[1/] countries. Additional difficulties were experienced because of increasing fuel costs and the transfer of U.S. boats to foreign countries primarily with a view to (a) escaping tightening federal restrictions which protect porpoise, (b) getting access to the EEZ of these countries and (c) skippers trying to become more independent of U.S. canneries. With imports 10 percent lower than in 1978, the U.S. canning industry was desperate for supplies. Ex-vessel prices for frozen tuna moved up significantly by 35 to 40 per cent from April 1979 to March 1980.

1/ Inter-American Tropical Tuna Commission

U.S. tuna ex-vessel prices (U.S.$/sh tn)[1/]

	March 1980	May 1979
Yellowfin (over 7½ lb)	1 200	860
" " (under 7½ lb)	1 100	720
Skipjack (over 4 lb)	1 100	760
" " (3-4 lb)	1 100	610
" " (under 3 lb)	800	420
Bluefin (over 7½ lb)	1 180	930

Source: INFOPESCA Price Reports

In Japan imports increased by 4 percent and exports decreased by 30 percent. Cold storage holdings were reduced by 50 percent to supply domestic market requirements. Ex-vessel prices remained about the same for bigeye tuna but jumped for other species:

Japanese tuna ex-vessel prices (U.S.$/sh tn)

	February 1980[2/]	February 1979[3/]
Bigeye	3 800	4 000
Yellowfin (lge)	1 950	1 500
Albacore	1 950	1 320
Skipjack	1 330	720

The industry in New Zealand, Brazil and France indicated increased availability of frozen tuna. Trade value went up all over the world, mainly due to high fuel prices, increasing interest rates and unsatisfied demand which lifted prices to record levels. As countries are using their extended economic zones for national tuna fishery operations and prices attract the tuna industry in U.S.A. and Japan to increase their catching efforts, orders for 70 new tuna vessels were received in 1979. This represents an increase of 25 percent in the world tuna fleet. U.S. shipyards have 22 orders for new tuna seiners, Russia is building 10 seiners in Poland, Mexico plans to build 17 vessels. Peru, Spain, Italy, France, Japan and Norway are also building tuna vessels for domestic and foreign companies.

It is believed that in 1980 developing countries will get a greater share of the world tuna catches with fleets moving away from the Eastern Pacific where the skipjack resource is expected to cycle downward. For example, new tuna operations are expected in the South-West Pacific, in Papua New Guinea, Indonesia and New Zealand, in the Indian Ocean where Kenya is just starting a tuna operation, and in Brazil which increased its tuna catches from 700 to 7 000 t in 1979. With more developing countries insisting on national flag vessels, trade volumes will expand since domestic processing capacities will only develop gradually. Prices are expected to further increase considerably.

1/ It should be noted that these prices are only indicative since they do not take into consideration additional payments (bonuses etc) made by the canners.

2/ Figures based on ¥240 = U.S.$1

3/ Figures based on ¥200 = U.S.$1

Frozen shrimp

The U.S. landings of tropical and northern shrimp were down significantly, 57 million lb less than 1978 (minus 22 percent) and 90 million lb less than the record year 1977. Imports increased during the period January to November 1979 by 25 million lb but this did not compensate for the reduced domestic supplies. Receipts from Mexico, Nicaragua and Colombia were similar to previous years, while imports from Brazil, Ecuador, Panama, Taiwan and Thailand were up. Imports from India declined by about 25 percent, mainly due to block-listing imposed in October 1979 by the U.S. Food and Drug Administration. This created only a short-term artificial shortage in the United States, as prices had already reached an all-time high in June, drifting back during the following months. Cold storage holdings in the United States at the end of 1979 were up 23 million lb compared to 1978. Consumption decreased slightly.

Lower supplies in 1979 are reported from Spain and Portugal, whereas France, the U.K., Hong Kong and Japan report an increase compared to 1978. Japan's imports exceeded all expectations and reached 322 million lb compared to 283 million lb in 1978 for the January to November period. Prices of imported shrimp in Japan also continued to rise in 1979 and reached record levels in May and again in October. Soaring prices reflect not so much an increase in consumer demand - on the contrary, they led to consumer resistance - but speculation in anticipation of higher demand and prices. For example, Mexican brown shrimp of the 26/30 count went up from 2 400 yen to 3 400 yen at the Tokyo wholesale market during 1979.

India was the major supplier of Japan, with about 10 million lb, which was still relatively low compared with Indian exports of 30 million lb to the United States. Early in December Japan also suspended all purchases of Indian shrimp and other seafoods, leaving Western Europe as the Indian exporters' only major market. Western Europe has a price level for shrimp considerably lower than the U.S.A. and Japan. The sudden disappearance of shrimp from the south-west coast of India created additional difficulties for processors.

India, Indonesia, Mexico, Thailand, China and Australia combined provided about 60 percent of the total annual imports into the U.S.A. and Japan. China was able to double its exports to these countries during 1979, reaching 22 million lb. Increased supplies of head-on shrimp from Latin America (Colombia, Panama, Costa Rica) were noted in 1979 which were offered mainly to Spain.

Shrimp production and usage during 1980 is expected to be about the same in the U.S.A. as in 1979. Prices will be influenced by escalating fuel costs but supplies from India and other Asian producers will again increase and unusually high inventories in both wholesale and retail sectors will dampen prices.

High inventories in Japan at the end of 1979, caused by strong imports and the usual high production, support the tendency to oversupply the Japanese market in 1980. This might lead to weakening prices which would create significant difficulties for traders holding large quantities of frozen shrimp bought at speculative prices.

In Western Europe the market was very weak in early 1980 compared with inventories built up due to large imports of headless shrimp. The European market will certainly recover during the summer but there is a doubt as to whether similar sales price levels as those obtained during 1979 can be obtained whilst operating costs have tremendously increased.

Many developing countries are going into shrimp aquaculture which may provide some additional supplies in 1980.

Frozen Cephalopods

Japan as a main market for squid suffered steadily declining catches from 740 000 t in 1968 to around 500 000 t in 1979. Total imports again increased, reaching 160 000 t - 30 percent more than in 1978. The growing rate of imports from Canada, Argentina and Uruguay has been outstanding mainly because of very strong demand and average prices for imported squid were as high as for domestic supplies. Frozen squid from Canada was bought for about ¥300/kg in November 1979 but prices have been declining since then.

Compared to 1979 many more countries got involved in the squid trade, for example, instead of 6 main suppliers for the Japanese market in December 1978, Japan imported about the same amount of 18 000 t from 14 different countries in October 1979.

Cold storage holdings in Japan showed the following picture:

	Dec. 1978	Dec. 1979
Squid	46 000	65 000
Cuttlefish	20 000	24 000
Octopus	21 000	16 000

Japanese imports of octopus decreased by 20 percent in 1979 to 60 000 tons, while prices have been extremely high, reaching ¥ 1 300/kg during the first six months of 1979.

In general, supplies of squid, cuttlefish and octopus in 1979 continued to be good. Preliminary figures show that Canada, Argentina and Uruguay increased their squid production, while New Zealand's catches dropped considerably due mainly to a very poor catching season. High value cephalopod landings in Mauritania dropped significantly because high licence fees kept a number of trawlers out of Mauritanian waters.

Spain, as one of the important markets for cephalopods, was trying to make up for lost fishing grounds by joint ventures and quota agreements but preliminary figures indicate a decreased national production for these commodities. It has to be noted that while considerable quantities of octopus and cuttlefish are exported, with Japan as the most important buyer, squid and flying squid are imported in exchange - often from Japan. Prices in Spain developed as follows:

	Import Average Prices (U.S.$/t)		Export Average Prices (U.S.$/t)	
	1978	1979 (10 months)	1978	1979 (10 months)
Octopus	1 150	1 320	1 560	2 200
Squid	2 450	2 670	3 100	4 280
Flying Squid	960	980	1 100	1 100
Cuttlefish	1 300	1 860	1 900	2 500

(U.S.$1 = 67 pts)

In 1980 supplies of squid on world markets are expected to remain at least at the same level as 1979. New fishing operations are to be expected as, for example, in Norway where it is estimated that a yearly catch of 50 000 t of squid would be possible and could be exported as there is no local demand.

In general, the demand for cephalopods is steadily rising world-wide due to the increasing acceptability of this commodity in non-traditional markets. High inventories, particularly in Japan, are forcing prices down and this is likely to continue well into

the second half of 1980. Lower prices might make a long-distance fishing operation less profitable due to high fuel costs and therefore influence the use of quotas in New Zealand and Australia by Japanese and Korean fishing vessels.

Other Frozen Fish and Shellfish

After the boom in North Sea mackerel fisheries in 1978, serious signs of overfishing appeared in 1979 which led to a closure in October 1979 for United Kingdom fishing vessels. Up to that time the United Kingdom had already exceeded its record catch in 1978 of 320 000 t of mackerel while Norway was able to increase its catches from about 30 000 t during 1979 to 122 000 t. France, Denmark and the Federal Republic of Germany had lower mackerel landings in 1979. In Latin America, Chile increased its catches from 500 000 to 550 000 t, but the lion's share was directed to the fishmeal industry.

Mackerel became more and more accepted by consumers and Western Europe ran short of supplies at the end of 1979 when sales and prices increased.

In 1980 the supply situation will change dramatically for Norway and the EEC. British catches are expected to decline at least from 350 000 t in 1979 to 150 000 t in 1980. Prices are expected to increase also as no additional supplies are expected from southern Africa where catches in 1979 were still at a very low level. There is a chance that Latin American countries will be able to fill these gaps in 1980, supplying mainly the European canning industry with raw material, instead of using a huge share of their mackerel production for fishmeal.

Similar possibilities exist for pilchard, which is increasingly used in the European canning industry. Chile doubled her catch and Peru also indicated an increase but these catches are still to a large extent destined for the reduction industry. Catches of pilchard in Namibia and in South Africa dropped further, the latter country's slight recovery in 1978 not recurring. Demand for pilchard in Europe is influenced by the supply of herring which in 1979 was about 40 percent less than the year before. Difficulties in mackerel supply and continuous shortage of herring might narrow the price gap between pilchard and herring, although so far raw material substitution is limited to certain mass-production items.

Catches of herring were down by 83 000 t in Canada, which became more important in 1979 as a source of supply for European processors, besides Denmark and Scandinavia. Frozen herring exports decreased by one quarter in volume but average price increased to U.S.$680 per t (landed value) in 1979, compared to U.S.$367 per t in 1978 due to the herring roe boom in Japan. Stocks in Canada of frozen round herring were down by 83 percent. In Japan processed food herring reached wholesale prices of U.S.$2.90 per kg, an increase of more than 50 percent over the preceding year. Cold storage holdings were down to 6 830 t, 65 percent less than December 1978.

Supplies of herring in 1980 are expected to be at the same level or to decrease slightly, as the main European herring stocks continue to be protected in order to recover from the serious overfishing in earlier years. Some additional supplies may become available from Iceland, where there were signs of recovery of herring stocks in 1979, and from the Baltic Sea.

The market for rainbow trout became more important in 1979 in Europe, with increasing supplies mainly from Denmark but also from some developing countries with successfully operated trout farming. Prices have eased but demand for fresh/live or frozen trout is expected to increase, especially in the Federal Republic of Germany.

There was no change in frozen lobster supply and sales in 1979 but prices stayed firm; for some sizes depressed prices were reported and these are being adjusted upwards. Average prices for spiny lobster exported from Brazil increased in 1979 by 19 percent (now

U.S.$14.33 per kg), from Australia by 9 percent. In Japan, prices for lobster decreased 2 percent with Australia being the biggest supplier, leaving Cuba now in second place.

At the beginning of 1979, prices for crab and crabmeat increased considerably due to weak supplies. But, at the end of 1979, cold storage holdings had increased by 23 percent, letting prices slip below cost of production in the U.S.A. During the first six months of 1979 the U.S.A. were able to increase frozen crab exports to Japan by almost 100 percent, valued at U.S.$73 million. In Latin America, Chile made strong efforts to increase its frozen crab production and exports and Argentina went into a joint venture with France for the same purpose. Large carryovers of supplies will keep prices depressed for frozen crab products, probably until the autumn of 1980; lower prices will encourage sales to the canning industry which in 1979 was affected by the high cost of raw material.

Scallop catches in Canada, Australia, New Zealand and some Central American states were down in 1979 and supply decreased considerably in the United Kingdom and Japan. Prices for frozen scallop meat peaked at the end of 1979. Cold storage holdings in the U.S.A. are at the same level as the year before; no changes are expected in supply and sales, while prices remain at a high level - especially in Hong Kong and France.

Canned fish

Tuna

Contrary to 1978, the tuna canning industry in the main producing countries, the U.S.A. and Japan, had serious difficulties in receiving sufficient raw material supplies in 1979 with fishing down sharply and imports not readily available. Prices in Japan of imported raw material increased by the equivalent of about U.S.$800 per t. Japanese export volume of canned albacore, especially albacore in brine, decreased but canned skipjack, mainly in oil, showed a corresponding increase.

In the U.S.A. wholesale prices for canned white meat tuna strengthened by about U.S.$0.08 per 7 oz can during 1979 and further increases are expected. Production and sales of canned tuna decreased in the U.S.A. in 1979 in comparison to the previous year but it is anticipated that they will pick up again in 1980 when larger supplies of raw tuna become available, although at considerably higher prices.

Several developing countries in Latin America, e.g. Peru, Ecuador, Venezuela, Brazil, started or increased tuna canning activities. Prices of canned tuna from these countries generally increased but still remained competitive internationally. Exports from this region were directed to a greater extent than the years before to European and Asian markets. Recent bans on tuna products coming into the U.S.A. from Costa Rica and Peru had therefore little effect on the trade of these products.

Pilchard/sardine

The enormous increase in the catches of pilchards and sardines in Chile and Peru did not have a significant influence on the supply situation for the canning industry, as the lion's share went into fish meal production. Nevertheless, supplies of these species were better than in 1978; the canning industry in Peru increased its exports appreciably. Brazil and South Africa had lower sardine and pilchard catches, which led to increased prices of up to 700 percent in Brazil for raw material during 1979 and encouraged efforts to utilise anchovy for a sardine-type canned product for local consumption. Canned fish production in South Africa already suffered a cutback of 60 per cent in 1978 and decreased further in 1979, thus offering increasing sales possibilities for producers in developing countries.

In Morocco sardine catches in 1979 were up from 148 000 t to 198 000 t, enabling the canning industry to increase sales at better prices.

Supply and sales are expected to improve further in 1980 except in South Africa and Norway; in the latter country the 12 sardine canners decided to create one company to meet the challenge of the high cost of raw material and fuel.

France still had to import about 40 percent of its canned fish requirements which amounted to 150 000 t in 1979.

Mackerel

Mackerel supplies for canneries were at the same high level in America and Europe as in 1978. Supplies of canned mackerel from Latin America improved significantly in 1979 with prices from this region remaining unchanged. Exports and prices in Japan reached a slightly higher level than 1978, with 180 000 t and U.S.$182 million, taking the lead on Japanese canned fishery product exports in volume and value.

For 1980, firm prices are expected in Europe where reduced quotas will not allow the same level of catches to be reached as in 1977 and 1978; the U.K. and Norway, especially, will suffer a setback. Additional supplies may be available in 1980 from Latin America where the Pacific coast countries are trying to direct catches of Spanish mackerel away from fish meal production to food fish usage. Demand for mackerel and pilchard will come in 1980 from the traditional herring processors in Europe who created new interest in these species during the herring shortage in 1978 and, more particularly, in 1979.

Herring

The West European processors of herring used all possible sources of supply in Scandinavia and Canada and this led to an all-time low level in cold storage holdings of frozen herring in Canada. Catches in Canada in 1979 were far below expectations. Even with a plentiful supply of herring from the Baltic Sea during the first months of 1980, the situation in herring fisheries will further encourage the use of mackerel and pilchard as a substitute for herring by European processors. Demand and prices for high quality products from these species, frozen or canned, are expected to rise in 1980. However, if all planned investment and production programmes for canned sardine/pilchard/mackerel products are realized, production of these commodities is likely to exceed market requirements. Some downward price adjustments, particularly for mass consumption items, might then have to be made.

Shellfish

On the canned shellfish market supply and sales of canned shrimp decreased in 1979 with prices on the upward trend. No change is expected for 1980.

Crabmeat canners faced a very difficult supply situation at the beginning of 1979 but during the second half of the year raw material prices decreased, allowing the canning industry to produce canned crabmeat at a reasonable price.

Cured fish

Canada's production of wet salted cod decreased from 32 600 to 18 000 t in 1979 but sales were at about the same level or slightly increased, resulting in a reduction of holdings at the end of the year.

Exports of salted fish increased during 1979 from 18 100 to 19 000 t, consisting mainly of cod but also including haddock, cusk, hake and pollack. Prices for salted cod from Canada increased by more than 10 percent.

Norway was able to increase its production of cured fish during 1979 as prices favoured a shift away from the production of cod blocks and fillets to stockfish and klippfish. Stockfish production in particular increased from 15 000 to 25 000 t, which were sold mainly to Nigeria.

Norwegian sales of other salted or unsalted dried fish like ling and cusk were booming too, with f.o.b. prices up to U.S.$5 000 per t for the lowest quality unpacked product. Production was backed by the Norwegian Government through subsidies and guarantees on payment, e.g. for small salted-dried pollack.

Unlike former years, demand for stockfish and salt-dried whitefish increased in West African countries despite rising prices. Even with additional offers of salted-dried hake from Argentina, Chile and Peru, there are still good trading possibilities for low-cost dried fish products which will continue to find an open market in a number of countries, among them Sri Lanka, Zaire, Cameroon, Brazil and the Dominican Republic.

Efforts in some Latin American countries to substitute expensive bacalao produced from cod by a product obtained from shark are continuing with success in some countries. In others, consumer resistance is difficult to overcome, prices not being sufficiently low to stimulate consumption. The expected price increase for salted or unsalted dried cod products in 1980 should benefit local production of cured shark fillets in some Central American countries.

Exports from Canada and Northern Europe in 1980 depend heavily on the situation for frozen whitefish, especially cod. Supply and sales of salted and unsalted dried cod are expected to decrease rather than increase, with prices rising steadily.

In many developing countries locally produced smoke-dried or sun-dried fish is a vital part of the diet, notably in West and Central Africa. Intra-regional trade is expanding and efforts are under way to improve traditional processing and packaging techniques and to reduce wastage due to insect infestation.

Through bilateral and multilateral food aid, dried fish products, including powdered products, are made available to developing countries. Some non-traditional products, such as fish protein concentrate type B, have been used increasingly. In some countries the commercial or semi-commercial introduction of such products was stepped up in 1979. For example, in Sri Lanka a nation-wide social marketing scheme was launched for FPC type B.

Some speciality items are gaining importance, such as salted/dried jellyfish and sea cucumber for which Japan alone increased its imports in 1979 by 4 500 t, or 70 percent of the 1978 figure. Japanese imports of dried squid remained at the same level as 1978.

Fish meal

According to information available in March 1980, world fish meal production increased from 4.6 million t in 1978 to 4.9 million t in 1979. The increase resulted largely from higher catches of fish for reduction in Peru and Chile. Catches of pilchard in Chile more than doubled to 1 580 000 t. Ecuador suffered a outback in catches of small pelagic fish, with fish meal production down by about 27 percent. In Norway production remained about the same as last year; losses in capelin catches were offset by an increase in catches of blue whiting, the season for which was open for only two months (192 500 t). Production in South Africa and Namibia decreased by 13 000 t mainly due to poor pilchard catches. Japan continues as the biggest producer of fish meal in the world, with an output of 870 000 t in 1979, 110 000 t more than 1978.

U.S. production of fish meal was ahead of 1978 which saw a record production of 333 000 short tons. U.S. imports of fish meal improved in the first half of 1979, slowing down in the second half, but the 90 000 short tons imported amounted to at least twice the 1978 imports. With a decrease in exports, fish meal usage in the U.S.A. went up due to the increased numbers of broiler chicks placed in 1979.

Preliminary export figures for the period January/November indicate an increase of 105 000 to 360 000 t in Chile, 40 000 to 300 000 t in Norway, 145 000 to 515 000 t in Peru and 20 000 to 22 000 t in South Africa. In Iceland exports over the period January/November remained about the same as in 1978 which amounted to 180 000 t. Exports increased, mainly at the expense of stocks, as home consumption and production of the main exporting countries remained the same with the exception of Chile where production, exports and stocks increased. Total world trade in fish meal increased by about 10 percent in comparison to 1978, reaching a level of 2 270 000 t, with a value of just over U.S.$1 000 million.

Prices for menhaden meal in the U.S.A. moved up due to seasonal trends during the first six months of 1979 and slowed down during the second half of the year. Prices of tuna mix and imported Peruvian meal increased during 1979 while meal prices in Europe and Japan fell substantially, narrowing the gap between Japanese and North American prices. All prices seemed to stabilize in the last quarter of 1979, remaining at higher levels than during comparable months in 1978.

In 1980 a small increase in fish meal production is expected which will not be accompanied by an increase in exports since meal stocks are lower in at least some major exporting countries like Peru, Norway and South Africa. Efforts to expand fish meal production and exports are counterbalanced by government programmes stimulating increased food fish supplies for domestic markets and by favourable conditions for frozen and canned fish products on world markets. Furthermore, the biggest producers of fish meal, Japan and the U.S.S.R., will consume practically any production growth domestically. Prices will be influenced by high interest rates, escalation in fuel costs and low holdings. Prices had already increased in April 1980 by about 20 percent as compared with October 1979 and reached U.S.$470/t, 64-65 percent protein, C & F Hamburg.

Fish Oil

Fish oil production in 1979 decreased slightly from 1 271 000 to 1 239 000 t. Production in Peru, the U.S.A. and Japan declined by 12 000 t, 14 000 t and 45 000 t, respectively. Increases were reported in Norway (10 000 t), Denmark (6 000 t) and Chile (23 000 t). The main producers remain Japan (242 000 t), Norway (188 000 t) and the U.S.S.R. (131 000 t).

Exports increased again in 1979 by 10 percent and reached 772 000 t. The main exporters were Japan (212 000 t), Norway (147 000 t), Iceland (100 000 t) and the U.S.A. (90 000 t). The biggest increase in exports was achieved by Iceland, up 26 000 t from 74 000 t in 1978, while fish oil exports in the U.S.A. decreased by 11 000 t. Peru also expanded fish oil exports (from 2 000 to 38 000 t) but this left too little for domestic market requirements so that the country had to import fish oil later in the year.

Annual average prices for menhaden oil in the U.S.A. slipped further down to U.S.$42.63/kg, as compared to $44.04/kg in 1978 and $46.39/kg in 1977. Prices in Europe remained at the same level as 1978 and were therefore 10 percent higher than prices in North America. Soybean oil prices have continued their upward trend and are now 30 percent above the menhaden oil price.

The outlook for 1980 does not show any significant change in the development of this commodity. Production and exports are expected to reach the same volume as in 1979. Prices may drop slightly as stocks reached unprecedented levels at the end of 1979. This trend could be counterbalanced by increasing soybean oil prices which would make fish oil more attractive and push prices up.

GENERAL OUTLOOK

Even with increasing catching efforts, the world catch is not expected to increase considerably in 1980. There are three main reasons for this:

(1) The insecurity and the time loss caused by (a) continuing EEC negotiations; (b) the political implications of the withdrawal of quotas, as in the case of the U.S.A. and the U.S.S.R.; and (c) the administration of quotas does not make it easier to use the available resources.

(2) Important stocks of foodfish either have not yet recovered or are showing signs of overfishing. These include European herring and South African hake but also mackerel and pilchard in southern African waters, mackerel in the North-West Atlantic, some hake stocks in Latin America, whitefish in Northern Europe and tuna in the Eastern Pacific and Eastern Atlantic.

(3) Partly through the introduction of the 200-mile zone, nations have become much more aware of the resources they have to protect. Quotas, mainly oriented to cutting down fishing in order to let stocks recuperate, have the effect of stabilizing the world catch.

On the other hand, especially for the European fishing fleet, the restrictions mentioned will lead to an increased exploitation of the unprotected and lesser-known species in the areas not covered by the extension of the economic zone. The Pacific Islands and the Indian Ocean are becoming more interesting for the industrial fleets in 1980. Latin American countries in particular are making strong efforts to use their resources of industrial fish more and more for food purposes, particularly for canned and frozen products. Catches of groundfish in Canada and the U.S.A. will further increase, whereas the quantity of fish caught in the waters of the EEC, Spain, Japan and the U.S.S.R. is expected to decrease.

Increasing fuel prices and high interest costs will push prices for fishery products further up in 1980. This will, of course, affect all food production systems but in fisheries it is likely to lead to a further reduction in distant-water fishing. Processors will try to move away from simple, highly competitive products to, for example, labour-intensive specialities which pay better. Oil-producing fishing nations will have temporary advantages and force other countries to subsidise their fishing operations as well. Transport costs account for a higher share. High interest rates will cut down holdings and make the market less flexible. New investments, especially replacements, will be delayed.

Increasing U.S. dollar value in the first months of 1980 will be favourable for exports of developing countries. Fluctuation in exchange rates makes mid-term planning difficult and will, together with high interest rates, probably lead to more frequent and smaller orders. Exchange rates in 1979 favoured Canada (as exporter to the U.S.) and Western Europe (as importer). Japan had to pay higher prices for its imports due to the low value of the Japanese yen against the U.S. dollar.

The international trade in fish products for human consumption will continue to rise, as countries with a surplus try to exploit their natural resources themselves, and domestic production of some major fish consuming countries is declining. Canada, the U.S.A., Australia, New Zealand, Iceland and Norway, in the developed world, will be able to benefit most from this development as they are able to offer the species and products in demand. For developing countries the market for crustaceans, molluscs and tuna will continue to be of special interest also in future, whereas many of the tropical species caught are not as readily acceptable in established markets or have to meet special processing standards, for example, for the Japanese market.

There are several factors which affect the expanding trade of developing countries:

(1) Expensive marketing strategies sponsored by the Government of the U.S.A., Canada and other developed countries for their expanding fish exports;

(2) Government subsidies paid by developed countries to the fishing industry to be competitive on the national as well as the international market;

(3) Growing protectionism through tariff and non-tariff barriers in those countries whose fishing industry "suffers" most from so-called cheap imports.

FAO is assisting the developing countries through the EEZ programme to make use of their fish potential. One important service is marketing assistance, which is already successfully provided by the "Marketing Information Service for Fish Products in the Latin American Region (INFOPESCA)" with Headquarters in Panama. A similar project for the Asian region will be started towards the end of 1980.

ANNEX

Wholesale prices for some fishery products

Products	Monthly average prices 1978/79					Annual average prices					
	Year	January	April	July	October	1974	1975	1976	1977	1978	1979
USA (US$/t)											
Frozen fish blocks, cod [a]	1978	2 204.6	2 204.6	2 204.6	2 204.6	1 463.8	1 272.0	1 651.2	2 156.1	2 204.6	2 259.7
	1979	2 204.6	2 204.6	2 314.8	2 314.8						
Frozen fish blocks pollack	1978	1 477.1	1 483.7	1 543.2	1 653.4	963.4	815.7	1 018.5	1 331.6	1 544.3	1 631.4
	1979	1 631.4	1 631.4	1 631.4	1 631.4						
Frozen fish blocks whiting	1978	1 318.3	1 287.5	1 322.8	1 344.8	877.4	820.1	934.7	1 199.3	1 319.9	1 460.5
	1979	1 366.8	1 433.0	1 499.1	1 543.2						
Frozen fish blocks Alaska pollack	1978	1 477.1	1 477.1	1 543.2	1 543.2	-	747.4	948.0	1 338.2	1 513.0	1 521.2
	1979	1 499.1	1 543.2	1 521.2	1 521.2						
Frozen fish fillets cod	1978	2 094.4	2 023.8	1 973.1	1 940.0	1 574.1	1 377.9	1 580.7	2 008.4	1 997.4	1 945.6
	1979	1 895.9	2 204.6	1 807.8	1 873.9						
Warm water lobster tail (6-8 oz) [f]	1978	12 588.2	13 073.1	15 233.7	16.313.9	10 515.0	10.185.0	12 985.0	12 854.5	14 770.7	16 468.0
	1979	16 821.0	16 534.0	16 424.0	16 093.0						
Shrimps (31-40) raw, headless [b]	1978	5 842.2	6 084.6	6 613.8	7 936.5	3 638.0	5 225.0	7 121.0	6 448.4	6 937.1	10.719.8
	1979	9 149.0	10 582.0	11 684.3	11 463.8						
Canned tuna (US$/case) light chunk (48 x 6½ oz)	1978	34.0	34.0	34.5	...	24.2	24.8	27.6	29.5	(34.3)	37.5
	1979	36.0	36.0	38.0	40.0						
GERMANY (Fed.Rep.of) (US$/t)	1978	451.3	415.9	400.1	383.2	372.1	245.3	376.0	453.5	409.6	388.6
Fish meal 64-65% protein	1979	380.5	365.5	414.5	393.8						
Fish oil, crude any origin	1978	427.7	557.8	465.2	436.5	557.8	343.9	372.6	471.8	451.9	450.0
	1979	418.7	483.7	435.7	443.8						
ITALY - Milan ('000 Lit./t)	1978	2 950.0	4 713.0	3 850.0	3 583.0	1 456.0	1 662.0	2 462.0	2 671.0	3 800.3	3 553.3
Frozen sharks - porbeagle	1979	3 413.0	3 825.0	3 550.0	3 425.0						
Frozen cuttlefish	1978	1 600.0	1 950.0	2 300.0	2 168.0	761.0	853.0	1 511.0	1 981.0	2 141.0	2 725.0
	1979	2 550.0	2 750.0	2 875.0	-						
Frozen squid	1978	2 525.0	2 600.0	3 075.0	2 887.5	1 057.0	1 186.0	2 001.0	2 465.0	2 865.1	3 063.0
	1979	3 100.0	3 100.0	3 050.0	3 000.0						
Canned chub mackerel (Lit./440 g can)	1978	475.0	500.0	470.0	470.0	272.0	307.0	323.0	419.0	471.8	489.0
	1979	470.0	495.0	495.0	495.0						
Canned sardine, domestic, in olive oil, 125 g can (Lit./can)	1978										
	1979	310.0	330.0	305.0	340.0						321.3
Canned salmon, foreign ½ lb can, 220 g net (Lit./can)	1978										
	1979	1 700.0	1 825.0	1 725.0	-						1 750.0
Salted anchovy	1978	2 900.0	2 900.0	2 900.0	2 700.0	1 516.0	1 449.0	1 743.0	2 700.0	2 790.9	2 750.0
	1979	2 700.0	2 875.0	2 575.0	2 850.0						
Stockfish	1978	-	-	-	4 900.0	2 441.0	3 750.0	4 146.0	5 100.0	4 900.0	4 950.0
	1979	4 900.0	5 000.0	-	-						
JAPAN ('000 Yen/t)	1978	120.0	82.0	26.0	39.0	26.0	27.0	37.0	78.0	79.0	83.3
Alaska pollack, fresh [c]	1979	116.0	76.0	58.0	-						
Skipjack, whole frozen [d]	1978	231.0	203.0	143.0	156.0	167.0	185.0	217.0	276.0	178.0	216.5
	1979	162.0	229.0	225.0	250.0						
Yellowfin tuna, frozen large [c]	1978	439.0	451.0	443.0	...	482.0	504	482.0	533.0	435.0	611.0
	1979	521.0	565.0	747.0	-						
Mackerel, whole frozen [e]	1978	125.0	120.0	111.0	102.0	121.0	108.0	154.0	166.0	117.0	135.7
	1979	121.0	119.0	167.0	-						
Shrimps, brown frozen Mexican (31-40) [e]	1978	2 200.0	2 150.0	2 000.0	1 850.0	2 219.0	2 580.0	3 023.0	2 800.0	2 050.0	2 925.0
	1979	2 100.0	3 100.0	3 225.0	3 275.0						
Squid, frozen [e]	1978	580.0	522.0	676.0	...	423.0	410.0	477.0	566.0	583.0	572.0
	1979	537.0	616.0	563.0	-						

a/ Prices to processors, importers and brokers at Boston, Gloucester and New Bedford
b/ Prices at New York - for 1979 size 31-35 Gulf brown
c/ Average prices of 66 fishing ports
d/ Average ex-vessel price at Yaizu
e/ Tokyo wholesale market
f/ 1979: 6-10 oz

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